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Macroeconomic policy questions: trade and development

Report of the Second Committee*

Rapporteur: Mr. Ahmed **Amaziane** (Morocco)

I. Introduction

1. The Second Committee held a substantive debate on agenda item 92 (see A/55/579, para. 2). Action on sub-item (a) was taken at the 30th, 34th, 40th and 42nd meetings, on 31 October, 15 November and 1 and 8 December 2000. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/55/SR.30, 34, 40 and 42).

II. Consideration of proposals

A. Draft resolution A/C.2/55/L.19

2. At the 30th meeting, on 31 October, the representative of Kazakhstan, on behalf of Afghanistan, Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, the Lao People's Democratic Republic, Mongolia, Paraguay, the Philippines, Poland, the Republic of Moldova, Romania, the Russian Federation, Swaziland, Tajikistan, Turkey, Turkmenistan and Ukraine, introduced a draft resolution entitled "Transit environment in the landlocked States in Central Asia and their transit developing neighbours" (A/C.2/55/L.19). Subsequently, Bulgaria, Burkina Faso, the Islamic Republic of Iran and the former Yugoslav Republic of Macedonia joined in sponsoring the draft resolution, which read:

* The report of the Committee on this item will be issued in six parts, under the symbol A/55/579 and Add. 1-5.

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"*The General Assembly,*

"*Recalling* its resolutions 48/169 and 48/170 of 21 December 1993, 49/102 of 19 December 1994, 51/168 of 16 December 1996, 53/171 of 15 December 1998 and 55/2 of 8 September 2000,

"*Recalling also* the Global Framework for Transit Transport Cooperation between Landlocked and Transit Developing States and the Donor Community and other relevant international legal instruments,

"*Recognizing* that the overall socio-economic development efforts of the landlocked States in Central Asia, which are seeking to enter world markets through the establishment of a multicountry transit system, are impeded by a lack of territorial access to the sea as well as by remoteness and isolation from world markets and lack of adequate infrastructure in the transport sector in their transit developing neighbours owing to their economic problems,

"*Reaffirming* that transit States, in the exercise of full sovereignty over their territory, have the right to take all measures necessary to ensure that the rights and facilities provided for landlocked States in no way infringe upon their legitimate interests,

"*Expressing its support* for the current efforts being undertaken by the newly independent and developing landlocked States in Central Asia and their transit developing neighbours, through relevant multilateral, bilateral and regional arrangements, to address issues regarding the development of a viable transit infrastructure in the region,

"*Taking note* of the report prepared by the secretariat of the United Nations Conference on Trade and Development on the transit environment in the landlocked States in Central Asia and their transit neighbours, and considering that the problems of transit transport facing the Central Asian region need to be seen against the backdrop of increased trade and capital flows and advancement in technology in the region,

"*Recognizing* that, to be effective, a transit transport strategy for the newly independent and developing landlocked States in Central Asia and their transit developing neighbours should incorporate actions that address both the problems inherent in the use of existing transit routes and those associated with the early development and smooth functioning of new alternative routes, and welcoming, in this context, the further cooperation of landlocked States with all interested countries,

"*Noting* that there have been a number of important developments at the subregional and regional levels, including the signing at Almaty on 9 May 1998 of a transit transport framework agreement among States members of the Economic Cooperation Organization, the signing on 26 March 1998 by the heads of State of Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, the Economic Commission for Europe and the Economic and Social Commission for Asia and the Pacific of the Tashkent Declaration on the United Nations Special Programme for the Economies of Central Asia, the implementation of the expanded Transport Corridor-Europe-Caucasus-Asia programme and the signing on 8 September 1998 of the Baku Declaration,

"*Welcoming* the presentation of the United Nations Special Programme for the Economies of Central Asia, held at Almaty on 27 April 2000, the adoption of the concept of the Special Programme and the joint statement by the Governments of Kazakhstan, Kyrgyzstan and Tajikistan, the Economic Commission for Europe and the Economic and Social Commission for Asia and the Pacific,

"*Emphasizing once again* the importance of strengthening international support measures to address further the problems of the newly independent and developing landlocked States in Central Asia and their transit developing neighbours,

"1. *Notes with appreciation* the contribution of the United Nations Conference on Trade and Development to improving the efficiency of the transit transport system in the landlocked States in Central Asia and their transit developing neighbours;

"2. *Invites* the Secretary-General of the United Nations Conference on Trade and Development and the Governments concerned, in cooperation with the United Nations Development Programme, the Economic and Social Commission for Asia and the Pacific, the Economic Commission for Europe and relevant regional and international organizations and in accordance with approved programme priorities and within existing financial resources, to continue elaborating a programme for improving the efficiency of the current transit environment in the newly independent and developing landlocked States in Central Asia and their transit developing neighbours;

"3. *Invites* the United Nations Conference on Trade and Development, in close cooperation with the regional commissions within their respective mandates and current resources, as well as with other relevant international organizations, to provide technical assistance and advisory services to the newly independent landlocked States in Central Asia and their transit developing neighbours, taking into account the relevant transit transport agreements;

"4. *Invites* donor countries and multilateral financial and development institutions, within their mandates, to continue to provide the newly independent and developing landlocked States in Central Asia and their transit developing neighbours with appropriate financial and technical assistance for the improvement of the transit environment, including construction, maintenance and improvement of their transport, storage and other transit-related facilities and improved communications;

"5. *Calls upon* the United Nations system to continue to study, within the scope of the implementation of the present resolution, possible ways of promoting more cooperative arrangements between the landlocked States in Central Asia and their transit developing neighbours, and to encourage a more active supportive role on the part of the donor community;

"6. *Stresses* the need to ensure the coherent and timely implementation of the present and previous resolutions, bearing in mind the interlinkage of all their elements;

"7. *Requests* the Secretary-General of the United Nations Conference on Trade and Development, in close cooperation with the regional commissions, to prepare a report on the implementation of the present resolution for submission to the General Assembly at its fifty-eighth session."

3. At the 40th meeting, on 1 December, the Chairman read out an amendment to draft resolution A/C.2/55/L.19, in accordance with which operative paragraph 6 would be deleted.

4. At the same meeting, the Committee adopted draft resolution A/C.2/55/L.19, as orally amended (see para. 11, draft resolution I).

B. Draft resolutions A/C.2/55/L.29 and A/C.2/55/L.61

5. At the 34th meeting, on 15 November, the representative of Nigeria, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Trade and development" (A/C.2/55/L.29), which read:

"*The General Assembly*,

"*Reaffirming* its resolutions 50/95 and 50/98 of 20 December 1995, 51/167 of 16 December 1996, 52/182 of 18 December 1997, 53/170 of 15 December 1998 and 54/198 of 22 December 1999,

"*Reaffirming also* the outcome of the tenth session of the United Nations Conference on Trade and Development, held in Bangkok from 12 to 19 February 2000, specifically the Bangkok Declaration: global dialogue and dynamic engagement and the Plan of Action, which provide an important framework for promoting a partnership for growth and development,

"*Further reaffirming* the United Nations Millennium Declaration of the heads of State and Government adopted on 8 September 2000, in particular paragraphs 11 to 18, and 27 and 28 thereof,

"*Welcoming* the Declaration of the South Summit and the Havana Programme of Action adopted by the South Summit of the Group of 77 on 14 April 2000,

"*Emphasizing* that a favourable and conducive international economic and financial environment and a positive investment climate are necessary for the economic growth of the world economy, including the creation of employment with equal opportunities for women and men, in particular for the growth and development of developing countries, and emphasizing also that each country is responsible for its own economic policies for sustainable development,

"*Noting* the need for multilateral trade liberalization, and noting also that a large number of developing countries have assumed the rights and obligations of the World Trade Organization without being able to reap the full benefits of, and participate fully in, the multilateral trading system, and that there is a need for progress towards liberalization and enhanced market access, including in areas and products of particular interest to developing countries,

"*Noting also* the importance of assisting developing countries in building their capacity, in accordance with their national priorities, to engage effectively in international trade,

"*Stressing* that full and faithful implementation of the commitments and obligations in multilateral trade agreements is important to the equitable and sustainable development and stability of the world economy,

"*Strongly emphasizing* the importance of providing all members of the World Trade Organization with the opportunity to engage fully and effectively in the process of multilateral trade negotiations and in other activities within the multilateral trading system in order to facilitate the attainment of balanced results with respect to the interests of all members,

"*Taking note* of the report of the Trade and Development Board on its forty-seventh session, the report of the Secretary-General on international trade and development and on the developments in the multilateral trading system, and the report of the Secretary-General of the United Nations Conference on Trade and Development on the transit environment in the landlocked States in Central Asia and their transit developing neighbours,

"*Noting*, in the context of international trade and development, the ongoing work of the Commonwealth Secretariat and World Bank Joint Task Force on Small States,

"1. *Recognizes* the importance of the expansion of international trade as an engine of growth and development and, in this context, the need for expeditious and complete integration of developing countries and countries with economies in transition into the international trading system, in full cognizance of the opportunities and challenges of globalization and liberalization and taking into account the circumstances of individual countries, in particular the trade interests and development needs of developing countries;

"2. *Renews its commitment* to uphold and strengthen an open, rule-based, equitable, secure, non-discriminatory, transparent and predictable multilateral trade system, which contributes to the economic and social advancement of all countries and peoples by promoting the liberalization and expansion of trade, employment and stability and by providing a framework for the conduct of international trade relations;

"3. *Expresses concern* at the declining terms of trade in most primary commodities, in particular for net exporters of such commodities, as well as the lack of progress in many developing countries in diversification, and, in this regard, strongly emphasizes the need for action at both the national and international levels, inter alia, through improved market access conditions, addressing supply-side constraints and the provision of support for capacity-building that actively involves women;

"4. *Recognizes* that the need for a substantial improvement of market access for exports of goods and services from developing countries through, inter alia, providing duty- and quota-free market access, elimination of non-tariff barriers and other forms of protectionist measures should be a high priority for any multilateral trade negotiations;

"5. *Urges* those countries that have announced market-access commitments in favour of developing countries and have not yet fulfilled them to expedite the implementation of those commitments, and calls upon other countries to undertake similar initiatives so that developing countries may also secure the benefits of an open global trading system;

"6. *Deplores* any attempt to bypass or undermine multilaterally agreed procedures on the conduct of international trade by taking unilateral actions that are inconsistent with the multilateral trade rules and regulations, including those agreed upon in the Uruguay Round of multilateral trade negotiations;

"7. *Expresses concern* about the proliferation of anti-dumping and countervailing measures and stresses that they should not be used as protectionist measures;

"8. *Reaffirms* the role of the United Nations Conference on Trade and Development as the focal point within the United Nations for the integrated treatment of development and related issues in the areas of trade, finance, technology, investment and sustainable development;

"9. *Requests* the Secretary-General, in consultation with the Secretary-General of the United Nations Conference on Trade and Development and in light of the successful outcome of the tenth session of the United Nations Conference on Trade and Development, to take the necessary measures to strengthen the management, and enhance the programme delivery capacity of the secretariat of the United Nations Conference on Trade and Development in order to enable it to implement fully and effectively the outcome of its tenth session;

"10. *Reiterates* the importance of continued trade liberalization in developed and developing countries, including in sectors of export interest to developing countries, through, inter alia:

"(a) Substantial reductions of tariffs, rolling back of tariff peaks and removal of tariff escalation;

"(b) Elimination of trade-distorting policies, protectionist practices and non-tariff barriers in international trade relations;

"(c) Ensuring that resort to anti-dumping duties, countervailing duties, phytosanitary regulations and technical standards is subjected to effective multilateral surveillance so that such measures respect and are consistent with multilateral trading rules and obligations and are not used for protectionist purposes;

"(d) Improvement and renewal, by preference-giving countries, of their Generalized System of Preferences schemes with the objective of integrating developing countries, especially the least developed countries, into the international trading system and of finding ways and means to ensure more effective utilization of the Generalized System of Preferences schemes, and, in this context, reiterates its original principles, namely, non-discrimination, universality, burden-sharing and non-reciprocity;

"11. *Also reiterates* that it is an ethical imperative for the international community to arrest and reverse the marginalization of the least developed

countries and to promote their expeditious integration into the world economy and that all countries should work together towards further enhanced market access for exports from the least developed countries within the context of supporting their own efforts at capacity-building; recognizes that the full implementation of the Plan of Action for the Least Developed Countries adopted by the first Ministerial Conference of the World Trade Organization, held at Singapore from 9 to 13 December 1996, requires further and expeditious progress towards duty- and quota-free imports from the least developed countries; invites the relevant international organizations to provide the enhanced technical assistance required to help to strengthen the supply capacity of the least developed countries so as to help them to take the fullest possible advantage of the trading opportunities that arise from globalization and liberalization and, in this regard, reiterates the need for a speedy implementation of the Integrated Framework for Trade-Related Technical Assistance, including for Human and Institutional Capacity-Building, to Support Least Developed Countries in their Trade and Trade-Related Activities; takes note of the preparatory activities being undertaken for the holding of the Third United Nations Conference on the Least Developed Countries at Brussels in May 2001 and, in this connection, calls on the industrialized countries to adopt, preferably by the time of that Conference, a policy of duty- and quota-free access for all products coming from the least developed countries;

"12. *Stresses* the urgent need to facilitate the integration of the countries of Africa into the world economy, welcomes, in this context, the action-oriented agenda for the development of Africa contained in the report of the Secretary-General on the causes of conflict and the promotion of durable peace and sustainable development in Africa, and the recommendations contained therein, calls for continued efforts to increase market access for products of export interest to African economies and support for their efforts at diversification and building of supply capacity and, in this context, requests the United Nations Conference on Trade and Development to continue to enhance its contribution to the United Nations New Agenda for the Development of Africa in the 1990s, taking into account the agreed conclusions of the Trade and Development Board on Africa, as well as to expeditiously establish a new subprogramme on Africa as agreed in the Plan of Action adopted at its tenth session, held in Bangkok from 12 to 19 February 2000;

"13. *Requests* the Secretary-General to ensure the initiation by the United Nations Conference on Trade and Development, in the areas falling within its mandate, of the preparatory process for the final review and appraisal of the implementation of the New Agenda to be held in 2002, in particular focusing on market access, diversification and supply capacity, resource flows and external debt, foreign direct and portfolio investment and access to technology, and, in this context, also requests the Secretary-General to submit a report, based on the recommendations of the Trade and Development Board on Africa, on measures taken in this regard, with a special emphasis on African trade issues, for the consideration of the General Assembly at its fifty-sixth session under the agenda item entitled "International trade and development";

"14. *Stresses* the need to give special attention, within the context of international cooperation on trade and development issues, to the implementation of the many international development commitments geared to meeting the special development needs and problems of small island developing States and of landlocked developing countries and to recognize that those developing countries that provide transit services need adequate support for the maintenance and improve of their transit infrastructure;

"15. *Reiterates* the need for the United Nations Conference on Trade and Development to enhance its contribution to the implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, in addressing the specific concerns of small island developing States and in their efforts aimed at diversification, capacity-building and improved market access for their effective integration into the global economy;

"16. *Also reiterates* the importance of the effective application by all members of the World Trade Organization of all provisions of the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, taking into account the specific interests of developing countries so as to maximize economic growth and development benefits for all, and the need for the speedy resolution of implementation issues as well as the effective implementation of the special provisions in the multilateral trade agreements and related ministerial decisions in favour of developing countries, in particular by making contractual the previously agreed special and differential provisions, including the strengthening of these concepts, taking into account the changing realities of world trade and of globalization, and urges Governments and concerned international organizations to apply effectively the Ministerial Decisions on Measures in Favour of Least Developed Countries and on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-importing Developing Countries;

"17. *Recognizes* the importance of increasing trade liberalization, in particular as regards areas and products of interest to developing countries, and that further liberalization should be sufficiently broad-based to respond to the range of interests and concerns of all members within the framework of the World Trade Organization;

"18. *Welcomes* the activities of the United Nations Conference on Trade and Development aimed at assisting developing countries in developing a positive agenda for future multilateral trade negotiations, and invites the Conference to continue to provide analytical support and technical assistance, including capacity-building activities, to those countries for their effective participation in the negotiations;

"19. *Invites* members of the international community to consider the interests of non-members of the World Trade Organization in the context of trade liberalization;

"20. *Invites* the international financial institutions to ensure that, in their development cooperation activities with developing countries, the obligations of the latter with regard to their development policies, strategies and

programmes in trade and trade-related areas are consistent with their commitments under the framework of rules agreed upon within the multilateral trading system;

"21. *Emphasizes* the importance of the strengthening of, and the attainment of greater universality by, the international trading system and of accelerating the process directed towards accession to the World Trade Organization of developing countries and countries with economies in transition, also emphasizes the necessity for Governments that are members of the World Trade Organization and relevant international organizations to assist non-members of the World Trade Organization so as to facilitate their efforts with respect to accession in an expeditious and transparent manner, on the basis of undertaking balanced World Trade Organization rights and obligations, and further emphasizes the necessity for the United Nations Conference on Trade and Development and the World Trade Organization to provide technical assistance, within their mandates, that will contribute to the rapid and full integration of those countries into the multilateral trading system;

"22. *Stresses* the need for improved measures to address the volatility of short-term capital flows as well as the effects of financial crises on the international trading system and the development prospects of developing countries and the countries affected by such crises, emphasizing that keeping all markets open and maintaining continued growth in world trade are key elements in overcoming such crises, and, in this context, rejects the use of any protectionist measures; also stresses at a broader level, the need for greater coherence between the development objectives agreed to by the international community and the functioning of the international trading and financial system, and, in this context, calls for close cooperation between the organizations of the United Nations system and the multilateral trade and financial institutions, with the participation of their secretariats and the States Members of the United Nations and observer States;

"23. *Requests* the Secretary-General, in scheduling and organizing mandated events on trade and trade-related issues, to promote complementarity in the work of the relevant bodies of the United Nations system and with the work of other international organizations, with the participation of their secretariats and the States Members of the United Nations and observer States, as appropriate, bearing in mind the mandate of the United Nations Conference on Trade and Development;

"24. *Recognizes* the importance of open regional economic integration in the creation of new opportunities for expanding trade and investment, stresses the importance of those initiatives being in conformity with the rules of the World Trade Organization, where applicable, and, bearing in mind the primacy of the multilateral trading system, affirms that regional trade agreements should be outward-oriented and supportive of the multilateral trading system, and, in this context, invites Governments and intergovernmental and multilateral institutions to continue to provide support to economic integration among developing countries as well as among countries with economies in transition;

"25. *Requests* the secretariat of the United Nations Conference on Trade and Development to continue to identify and analyse the implications for development of issues relevant to investment, and to identify ways and means for promoting foreign direct and portfolio investment directed to all developing countries, taking into account their interests, in particular to those most in need, as well as to those countries with economies in transition with similar needs, bearing in mind the work undertaken by other organizations, including the regional commissions;

"26. *Reaffirms* the role of competition law and policy for sound economic development, and, in this regard, decides to convene in 2005 a fifth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices under the auspices of the United Nations Conference on Trade and Development;

"27. *Emphasizes* that the dispute settlement mechanism of the World Trade Organization is a key element with regard to the integrity and credibility of the multilateral trading system and the full realization of the benefits anticipated from the conclusion of the Uruguay Round of multilateral trade negotiations;

"28. *Strongly emphasizes* the need for technical assistance, including legal assistance, to developing countries, through, inter alia, the Advisory Centre on World Trade Organization Law and other mechanisms, to enable those countries to take the fullest possible advantage of the dispute settlement mechanism of the World Trade Organization, based on multilaterally agreed rules and regulations, and, in this context, also emphasizes that it is important for the United Nations Conference on Trade and Development to continue to strengthen its technical assistance to developing countries, in particular the least developed countries landlocked developing countries and small island developing States in this area;

"29. *Notes* the increasing importance and application of electronic commerce in international trade and the need to strengthen the capacities of developing countries to participate effectively in electronic commerce; urges the organizations of the United Nations system, within their mandates and in cooperation with other relevant bodies, with the participation of their secretariats and the States Members of the United Nations and observer States, the United Nations Conference on Trade and Development, the International Telecommunication Union, the International Trade Centre and the regional commissions, to continue to assist developing countries and countries with economies in transition; emphasizes in this regard the need for analysis of the fiscal, legal and regulatory aspects of electronic commerce as well as its implications for the trade and development prospects of developing countries; and, in this connection, welcomes the adoption of the Ministerial Declaration of the high-level segment of the substantive session of 2000 of the Economic and Social Council on development and international cooperation in the twenty-first century: the role of information technology in the context of a knowledge-based global economy;

"30. *Stresses* the importance of assisting developing countries and interested countries with economies in transition in improving the efficiency of

trade-supporting services, inter alia, through the elimination of procedural barriers and by greater use of trade facilitating mechanisms, in particular in the areas of transport, customs, banking and insurance and business information, especially in the case of small and medium-sized enterprises, and, in this respect, invites the United Nations Conference on Trade and Development, in accordance with its mandate and in collaboration with other relevant bodies of the United Nations, including the regional commissions, to continue to assist developing countries in those areas;

"31. *Requests* the Secretary-General, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to report to the General Assembly at its fifty-sixth session on the implementation of the present resolution and developments in the multilateral trading system."

6. At the 42nd meeting, on 8 December, the Vice-Chairman of the Committee, Anne Barrington (Ireland), introduced a draft resolution entitled "International trade and development" (A/C.2/55/L.61), which she submitted on the basis of informal consultations held on draft resolution A/C.2/55/L.29. At the same time, the Vice-Chairman orally revised draft resolution A/C.2/55/L.61, as follows:

(a) In operative paragraph 11, the words "towards duty- and quota-free exports" were revised to read "towards duty-free exports";

(b) In operative paragraph 17, the words "all of" were inserted before the words "the special provisions in the multilateral trade agreements";

(c) In operative paragraph 22, the word "of" was inserted between the words "the United Nations system and" and the words "the multilateral trade and financial institutions".

7. At the same meeting, the Secretary of the Committee read out a statement on the programme budget implications of draft resolution A/C.2/55/L.61 (see A/C.2/55/SR.42).

8. Also at the same meeting, the Committee adopted draft resolution A/C.2/55/L.61, as orally revised (see para. 11, draft resolution II).

9. In the light of the adoption of draft resolution A/C.2/55/L.61, draft resolution A/C.2/55/L.29 was withdrawn by its sponsors.

C. Draft decision proposed by the Chairman

10. At its 42nd meeting, on 8 December, on the proposal of the Chairman, the Committee decided to recommend to the General Assembly that it take note of the report of the Trade and Development Board on its twenty-third to twenty-fifth executive sessions (A/55/15 (Parts I to III)) and on its forty-seventh session (A/55/15 (Part IV)) (see para. 12, draft decision).

III. Recommendations of the Second Committee

11. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Draft resolution I
Transit environment in the landlocked States in Central Asia and their transit developing neighbours

The General Assembly,

Recalling its resolutions 48/169 and 48/170 of 21 December 1993, 49/102 of 19 December 1994, 51/168 of 16 December 1996, 53/171 of 15 December 1998 and 55/2 of 8 September 2000,

Recalling also the Global Framework for Transit Transport Cooperation between Landlocked and Transit Developing States and the Donor Community[1] and other relevant international legal instruments,

Recognizing that the overall socio-economic development efforts of the landlocked States in Central Asia, which are seeking to enter world markets through the establishment of a multicountry transit system, are impeded by a lack of territorial access to the sea as well as by remoteness and isolation from world markets and lack of adequate infrastructure in the transport sector in their transit developing neighbours owing to their economic problems,

Reaffirming that transit States, in the exercise of full sovereignty over their territory, have the right to take all measures necessary to ensure that the rights and facilities provided for landlocked States in no way infringe upon their legitimate interests,

Expressing its support for the current efforts being undertaken by the newly independent and developing landlocked States in Central Asia and their transit developing neighbours through relevant multilateral, bilateral and regional arrangements to address issues regarding the development of a viable transit infrastructure in the region,

Taking note of the report prepared by the secretariat of the United Nations Conference on Trade and Development on the transit environment in the landlocked States in Central Asia and their transit neighbours,[2] and considering that the problems of transit transport facing the Central Asian region need to be seen against the backdrop of increased trade and capital flows and advancement in technology in the region,

Recognizing that, to be effective, a transit transport strategy for the newly independent and developing landlocked States in Central Asia and their transit developing neighbours should incorporate actions that address both the problems inherent in the use of existing transit routes and those associated with the early development and smooth functioning of new alternative routes, and welcoming in this context the further cooperation of landlocked States with all interested countries,

Noting that there have been a number of important developments at the subregional and regional levels, including the signing at Almaty on 9 May 1998 of a transit transport framework agreement among States members of the Economic Cooperation Organization, the signing on 26 March 1998 by the heads of State of

[1] TD/B/42(1)/11-TD/B/LDC/AC.1/7, annex I.

[2] A/53/331, annex.

Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, the Economic Commission for Europe and the Economic and Social Commission for Asia and the Pacific of the Tashkent Declaration on the United Nations Special Programme for the Economies of Central Asia,[3] the implementation of the expanded Transport Corridor-Europe-Caucasus-Asia programme and the signing on 8 September 1998 of the Baku Declaration,[4]

Welcoming the presentation of the United Nations Special Programme for the Economies of Central Asia, held at Almaty on 27 April 2000, the adoption of the concept of the Special Programme and the joint statement by the Governments of Kazakhstan, Kyrgyzstan and Tajikistan, the Economic Commission for Europe and the Economic and Social Commission for Asia and the Pacific,

Emphasizing once again the importance of strengthening international support measures to address further the problems of the newly independent and developing landlocked States in Central Asia and their transit developing neighbours,

1. *Notes with appreciation* the contribution of the United Nations Conference on Trade and Development to improving the efficiency of the transit transport system in the landlocked States in Central Asia and their transit developing neighbours;

2. *Invites* the Secretary-General of the United Nations Conference on Trade and Development and the Governments concerned, in cooperation with the United Nations Development Programme, the Economic and Social Commission for Asia and the Pacific, the Economic Commission for Europe and relevant regional and international organizations and in accordance with approved programme priorities and within existing financial resources, to continue to elaborate a programme for improving the efficiency of the current transit environment in the newly independent and developing landlocked States in Central Asia and their transit developing neighbours;

3. *Invites* the United Nations Conference on Trade and Development, in close cooperation with the regional commissions within their respective mandates and current resources, as well as with other relevant international organizations, to provide technical assistance and advisory services to the newly independent landlocked States in Central Asia and their transit developing neighbours, taking into account the relevant transit transport agreements;

4. *Invites* donor countries and multilateral financial and development institutions, within their mandates, to continue to provide the newly independent and developing landlocked States in Central Asia and their transit developing neighbours with appropriate financial and technical assistance for the improvement of the transit environment, including construction, maintenance and improvement of their transport, storage and other transit-related facilities and improved communications;

5. *Calls upon* the United Nations system to continue to study, within the scope of the implementation of the present resolution, possible ways of promoting more cooperative arrangements between the landlocked States in Central Asia and their transit developing neighbours, and to encourage a more active supportive role on the part of the donor community;

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[3] A/53/96, annex II.

[4] A/C.2/53/4, annex.

6. *Requests* the Secretary-General of the United Nations Conference on Trade and Development, in close cooperation with the regional commissions, to prepare a report on the implementation of the present resolution, for submission to the General Assembly at its fifty-eighth session.

Draft resolution II
International trade and development

The General Assembly,

Reaffirming its resolutions 50/95 and 50/98 of 20 December 1995, 51/167 of 16 December 1996, 52/182 of 18 December 1997, 53/170 of 15 December 1998 and 54/198 of 22 December 1999, as well as relevant international agreements concerning trade, economic growth and development,

Reaffirming also the outcome of the tenth session of the United Nations Conference on Trade and Development, held at Bangkok from 12 to 19 February 2000,[5] specifically the Bangkok Declaration: global dialogue and dynamic engagement[6] and the Plan of Action,[7] which provide an important framework for promoting a partnership for growth and development,

Recalling the United Nations Millennium Declaration of the heads of State and Government adopted on 8 September 2000,[8]

Taking note of the Declaration and the Programme of Action adopted by the South Summit of the Group of 77, held at Havana from 10 to 14 April 2000,[9]

Emphasizing that a favourable and conducive international economic and financial environment and a positive investment climate are necessary for the growth of the world economy, including the creation of employment with equal opportunities for women and men, in particular for the growth and development of developing countries, and emphasizing also that each country is responsible for its own economic policies for sustainable development,

Noting the need for multilateral trade liberalization, and noting also that a large number of developing countries have assumed the rights and obligations of the World Trade Organization without being able to reap the full benefits of, and participate fully in, the multilateral trading system, and that there is a need for progress towards liberalization and enhanced market access, including in areas and products of particular interest to developing countries,

Noting also the importance of assisting developing countries in building their capacity, in accordance with their national priorities, to engage effectively in international trade,

Stressing that full and faithful implementation of the commitments and obligations in multilateral trade agreements is important to the equitable and sustainable development and stability of the world economy,

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[5] TD/390.
[6] Ibid., part I.
[7] Ibid., part II.
[8] Resolution 55/2.
[9] A/55/74, annexes I and II.

Strongly emphasizing the importance of providing all members of the World Trade Organization with the opportunity to engage fully and effectively in the process of multilateral trade negotiations and in other activities within the multilateral trading system in order to facilitate the attainment of balanced results with respect to the interests of all members,

Taking note of the report of the Trade and Development Board on its forty-seventh session,[10] the report of the Secretary-General on international trade and development and on the developments in the multilateral trading system,[11] and the report of the Secretary-General of the United Nations Conference on Trade and Development on the transit environment in the landlocked States in Central Asia and their transit developing neighbours,[12]

Noting, in the context of international trade and development, the ongoing work of the Commonwealth Secretariat and World Bank Joint Task Force on Small States,

1. *Recognizes* the importance of the expansion of international trade as an engine of growth and development and, in this context, the need for expeditious and complete integration of developing countries and countries with economies in transition into the international trading system, in full cognizance of the opportunities and challenges of globalization and liberalization and taking into account the circumstances of individual countries, in particular the trade interests and development needs of developing countries;

2. *Renews its commitment* to uphold and strengthen an open, rule-based, equitable, secure, non-discriminatory, transparent and predictable multilateral trade system which contributes to the economic and social advancement of all countries and peoples, including equal opportunities for women and for men, by promoting the liberalization and expansion of trade, employment and stability and by providing a framework for the conduct of international trade relations;

3. *Expresses concern* at the declining terms of trade in most primary commodities, in particular for net exporters of such commodities, as well as the lack of progress in many developing countries in diversification and, in this regard, strongly emphasizes the need for action at both the national and international levels, inter alia, through improved market access conditions, addressing supply-side constraints and support for capacity-building, including in areas that actively involve women;

4. *Recognizes* that the substantial improvement of market access for exports of goods and services from developing countries through, inter alia, the reduction or removal of tariff and non-tariff barriers should be assigned high priority in multilateral trade negotiations;

5. *Urges* those countries that have announced market-access initiatives in favour of developing countries, in particular the least developed countries, and have not yet fulfilled them to expedite the implementation of those initiatives, and calls upon other countries that have not yet done so to undertake similar initiatives;

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[10] A/55/15 (Part IV). For the final text, see *Official Records of the General Assembly, Fifty-fifth Session, Supplement No. 15*.

[11] A/55/396.

[12] See A/55/320.

6. *Deplores* any attempt to bypass or undermine multilaterally agreed procedures on the conduct of international trade by taking unilateral actions that are inconsistent with the multilateral trade rules and regulations, including those agreed upon in the Uruguay Round of multilateral trade negotiations;

7. *Expresses concern* about the proliferation of anti-dumping and countervailing measures, and stresses that they should not be used as protectionist measures;

8. *Reaffirms* the role of the United Nations Conference on Trade and Development as the focal point within the United Nations for the integrated treatment of development and related issues in the areas of trade, finance, technology, investment and sustainable development;

9. *Requests* the Secretary-General, in consultation with the Secretary-General of the United Nations Conference on Trade and Development and in line with the successful outcome of the tenth session of the United Nations Conference on Trade and Development, to take the necessary measures to strengthen the management and enhance the programme delivery capacity and performance of the secretariat of the United Nations Conference on Trade and Development in order to enable it to implement fully and effectively the outcome of its tenth session;

10. *Reiterates* the importance of continued trade liberalization in developed and developing countries, including in sectors of export interest to developing countries, through, inter alia:

(a) Substantial reductions of tariffs, the rolling back of tariff peaks and the removal of tariff escalation;

(b) The elimination of trade-distorting policies, protectionist practices and non-tariff barriers in international trade relations;

(c) Ensuring that resort to anti-dumping duties, countervailing duties, phytosanitary regulations and technical standards is subject to effective multilateral surveillance so that such measures respect and are consistent with multilateral trading rules and obligations and are not used for protectionist purposes;

(d) The improvement and renewal, by preference-giving countries, of their Generalized System of Preferences schemes with the objective of integrating developing countries, especially the least developed countries, into the international trading system and of finding ways and means to ensure more effective utilization of those schemes and, in this context, reiterates its original principles, namely, non-discrimination, universality, burden-sharing and non-reciprocity;

11. *Also reiterates* that it is an ethical imperative for the international community to arrest and reverse the marginalization of the least developed countries and to promote their expeditious integration into the world economy and that all countries should work together towards further enhancement of duty- and quota-free market access for exports from the least developed countries within the context of supporting their own efforts at capacity-building; recognizes that the full implementation of the Plan of Action for the Least Developed Countries adopted by the first Ministerial Conference of the World Trade Organization, held at Singapore from 9 to 13 December 1996, provides for further and expeditious progress towards duty-free imports from the least developed countries; invites the relevant international organizations to provide the enhanced technical assistance required to

help to strengthen the supply and institutional capacity of the least developed countries so as to help them to take the fullest possible advantage of the trading opportunities that arise from globalization and liberalization and, in this regard, reiterates the need for a speedy implementation of the Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries; takes note of the preparatory activities being undertaken for the Third United Nations Conference on the Least Developed Countries, to be held at Brussels in May 2001; and, in this connection, calls upon development partners, in particular industrialized countries, to make efforts towards the adoption of a policy of duty- and quota-free access for essentially all exports originating in the least developed countries;

12. *Notes* the need to better coordinate trade-related technical assistance and, in this regard, to implement the Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries in order to promote coordination among the six core agencies, bearing in mind that the resources made available should be utilized in line with their respective roles;

13. *Stresses* the urgent need to facilitate the integration of the countries of Africa into the world economy and, in this context, takes note with appreciation of the action-oriented agenda for the development of Africa contained in the report of the Open-ended Ad Hoc Working Group on the Causes of Conflict and the Promotion of Durable Peace and Sustainable Development in Africa,[13] and the recommendations contained therein; calls for continued efforts to increase market access for products of export interest to African economies and support for their efforts to diversify and build supply capacity and, in this context, requests the United Nations Conference on Trade and Development to continue to enhance its contribution to the United Nations New Agenda for the Development of Africa in the 1990s,[14] taking into account the agreed conclusions of the Trade and Development Board on Africa;[15] further encourages the Secretary-General of the United Nations to establish a new subprogramme on Africa, as agreed in the Bangkok Plan of Action;[16] and emphasizes the importance of increased inter-agency cooperation, which has proven its relevance through the joint integrated technical assistance programmes for selected least developed and other African countries;

14. *Requests* the Secretary-General to ensure the initiation by the United Nations Conference on Trade and Development, in the areas falling within its mandate, of the preparatory process for the final review and appraisal of the implementation of the New Agenda, to be held in 2002, in particular focusing on market access, diversification and supply capacity, resource flows and external debt, foreign direct and portfolio investment and access to technology and, in this context, also requests the Secretary-General to submit a report, based on the recommendations of the Trade and Development Board on Africa, on measures taken in this regard, with a special emphasis on African trade issues, for the consideration of the General Assembly at its fifty-sixth session under the agenda item entitled "International trade and development";

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[13] *Official Records of the General Assembly, Fifty-fifth Session, Supplement No. 45* (A/55/45).

[14] Resolution 46/151, annex, sect. II.

[15] A/54/15 (Part V), chap. I, sect. C, agreed conclusions 458 (XLVI). For the final text, see *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 15*.

[16] TD/386.

15. *Stresses* the need to give special attention, within the context of international cooperation on trade and development issues, to the implementation of the many international development commitments geared to meeting the special development needs and problems of small island developing States and of landlocked developing countries and to recognize that those developing countries that provide transit services need adequate support for the maintenance and improvement of their transit infrastructure;

16. *Reiterates* the need for the United Nations Conference on Trade and Development to enhance its contribution to the implementation of the Programme of Action for the Sustainable Development of Small Island Developing States[17] and review document[17] in addressing the specific concerns of small island developing States in their efforts aimed at diversification, capacity-building and benefiting from improved market access opportunities for their effective integration into the global economy;

17. *Also reiterates* the importance of the effective application by all members of the World Trade Organization of all provisions of the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations,[18] taking into account the specific interests of developing countries, so as to maximize economic growth and development benefits for all, and the need for seriously addressing implementation issues, as well as for implementing effectively all of the special provisions in the multilateral trade agreements and related ministerial decisions in favour of developing countries, in particular by making operational and ensuring fuller implementation of the previously agreed special and differential provisions, including the strengthening of these concepts, taking into account the changing realities of world trade and globalization, and urges Governments and concerned international organizations to apply effectively the Ministerial Decisions on Measures in Favour of Least Developed Countries and on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-importing Developing Countries;[18]

18. *Recognizes* the importance of increasing trade liberalization, in particular as regards areas and products of interest to developing countries, and that further liberalization should be sufficiently broad-based to respond to the range of interests and concerns of all members within the framework of the World Trade Organization and, in this regard, welcomes the activities of the United Nations Conference on Trade and Development aimed at assisting developing countries in developing a positive agenda for future multilateral trade negotiations, and invites the secretariat of the Conference to continue to provide analytical support and technical assistance, including capacity-building activities, to those countries for their effective participation in the negotiations;

19. *Invites* members of the international community to consider the interests of non-members of the World Trade Organization in the context of trade liberalization;

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[17] *Report of the Global Conference on the Sustainable Development of Small Island Developing States, Bridgetown, Barbados, 25 April-6 May 1994* (United Nations publication, Sales No. E.94.I.18 and corrigenda), chap. I, resolution 1, annex II.

[18] See *Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994* (GATT secretariat publication, Sales No. GATT/1994-7).

20. *Invites* the international financial institutions to ensure that, in their development cooperation activities with developing countries, the obligations of the latter with regard to their development policies, strategies and programmes in trade and trade-related areas are consistent with their commitments under the framework of rules agreed upon within the multilateral trading system;

21. *Emphasizes* the importance of the strengthening of, and the attainment of greater universality by, the international trading system and of accelerating the process directed towards accession to the World Trade Organization of developing countries and countries with economies in transition, also emphasizes the necessity for Governments that are members of the World Trade Organization and relevant international organizations to assist non-members of the World Trade Organization so as to facilitate their efforts with respect to accession in an expeditious and transparent manner, on the basis of undertaking balanced World Trade Organization rights and obligations, and further emphasizes the necessity for the United Nations Conference on Trade and Development and the World Trade Organization to provide technical assistance, within their mandates, that will contribute to the rapid and full integration of those countries into the multilateral trading system;

22. *Stresses* the need for improved measures to address the volatility of short-term capital flows as well as the effects of financial crises on the international trading system and the development prospects of developing countries and countries affected by such crises, emphasizing the fact that keeping all markets open and maintaining continued growth in world trade are key elements in overcoming such crises and, in this context, rejects the use of any protectionist measures; also stresses, at a broader level, the need for greater coherence between the development objectives agreed to by the international community and the functioning of the international trading and financial system and, in this context, calls for close cooperation between the members and observers of the organizations of the United Nations system and of the multilateral trade and financial institutions, with participation in accordance with their established rules, procedures and practices;

23. *Requests* the Secretary-General, in scheduling and organizing mandated events on trade and trade-related issues, to promote complementarity in the work of the relevant bodies of the United Nations system and with the work of other international organizations, as appropriate, bearing in mind the mandate of the United Nations Conference on Trade and Development;

24. *Recognizes* the importance of open regional economic integration in the creation of new opportunities for expanding trade and investment, stresses the importance of those initiatives being in conformity with the rules of the World Trade Organization, where applicable, and, bearing in mind the primacy of the multilateral trading system, affirms that regional trade agreements should be outward-oriented and supportive of the multilateral trading system and, in this context, invites Governments and intergovernmental and multilateral institutions to continue to provide support for economic integration among developing countries, and among countries with economies in transition;

25. *Requests* the secretariat of the United Nations Conference on Trade and Development to continue to identify and analyse the implications for development of issues relevant to investment, and to identify ways and means of promoting foreign direct and portfolio investment directed to all developing countries, taking into account their interests, in particular to those most in need, as well as to those

countries with economies in transition with similar needs, and bearing in mind the work undertaken by other organizations, including the regional commissions;

26. *Emphasizes* the fact that, in line with Agenda 21[19] and the Rio Declaration on Environment and Development,[20] Governments should have the objective of ensuring that trade and environmental policies are mutually supportive so as to achieve sustainable development, and also emphasizes that, in so doing, their environmental policies and measures with a potential trade impact should not be used for protectionist purposes;

27. *Reaffirms* the role of competition law and policy for sound economic development, takes note of the important and useful work of the United Nations Conference on Trade and Development in this field and, in this regard, decides to convene in 2005 a fifth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, under the auspices of the United Nations Conference on Trade and Development;[21]

28. *Emphasizes* that the dispute settlement mechanism of the World Trade Organization is a key element with regard to the integrity and credibility of the multilateral trading system and the full realization of the benefits anticipated from the conclusion of the Uruguay Round of multilateral trade negotiations;

29. *Strongly emphasizes* the need for technical assistance, including legal assistance, to developing countries through, inter alia, the Advisory Centre on World Trade Organization Law and other mechanisms, to enable those countries to take the fullest possible advantage of the dispute settlement mechanism of the World Trade Organization, based on multilaterally agreed rules and regulations and also, in this context, emphasizes that it is important for the United Nations Conference on Trade and Development to continue to strengthen its technical assistance to developing countries, in particular the least developed countries, landlocked developing countries and small island developing States in this area;

30. *Notes* the increasing importance and application of electronic commerce in international trade and the need to strengthen the capacities of developing countries to participate effectively in electronic commerce; urges the organizations of the United Nations system, within their mandates and in cooperation with other relevant bodies, with the participation of their secretariats and the States Members of the United Nations and observer States, the United Nations Conference on Trade and Development, the International Telecommunication Union, the International Trade Centre and the regional commissions, to continue to assist developing countries and countries with economies in transition; emphasizes in this regard the need for analysis of the fiscal, legal and regulatory aspects of electronic commerce, as well as its implications for the trade and development prospects of developing countries; and, in this connection, welcomes the adoption of the ministerial declaration of the high-level segment of the substantive session of 2000 of the Economic and Social Council entitled "Development and international cooperation

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[19] *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992* (United Nations publication, Sales No. E.93.I.8 and corrigenda), vol. I: *Resolutions adopted by the Conference*, resolution 1, annex II.

[20] Ibid., annex I.

[21] See TD/RBP/CONF.5/15.

in the twenty-first century: the role of information technology in the context of a knowledge-based global economy";[22]

31. *Stresses* the importance of assisting developing countries and interested countries with economies in transition in improving the efficiency of trade-supporting services, inter alia, through the elimination of procedural barriers and by greater use of trade facilitating mechanisms, in particular in the areas of transport, customs, banking and insurance and business information, especially in the case of small and medium-sized enterprises and, in this respect, invites the United Nations Conference on Trade and Development, in accordance with its mandate and in collaboration with other relevant bodies of the United Nations, including the regional commissions, to continue to assist developing countries in those areas;

32. *Requests* the Secretary-General of the United Nations, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to report to the General Assembly at its fifty-sixth session on the implementation of the present resolution and developments in the multilateral trading system.

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12. The Second Committee also recommends to the General Assembly the adoption of the following draft decision:

Documents relating to trade and development

The General Assembly takes note of the reports of the Trade and Development Board on its twenty-third to twenty-fifth executive sessions (A/55/15 (Parts I to III)) and on its forty-seventh session (A/54/15 (Part IV)).[23]

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[22] A/55/3, chap. III, para. 17. For the final text see *Official Records of the Economic and Social Council, 2000, Supplement No. 3* (A/55/3/Rev.1).

[23] The reports, circulated individually as documents A/55/15 (Parts I to IV), will be issued in final form as *Official Records of the General Assembly, Fifty-fifth Session, Supplement No. 15* (A/55/15).